

## Message Text

SECRET

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21

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 003065

R 230718Z DEC 75  
FM AMEMBASSY DOHA  
TO SECSTATE WASHDC 1131  
INFO AMEMBASSY ABU DHABI  
AMDMBASSY JIDDA 0364  
AMEMBASSY MANAMA  
AMEMBASSY MUSCAT

S E C R E T SECTION 1 OF 2 DOHA 1456

EXDIS

DEPT ALSO FOR NEA/ARP

E.O. 11652: XGDS-1  
TAGS: PFOR, EAIR, US, QA  
SUBJ: ALLEGED LOCKHEED PAYOFF TO FOREIGN OFFICIALS: QATAR  
  
REF: DOHA 1415, 1429 AND 1430; STATE 299348

1. SUMMARY: WE MUST BE KEPT BETTER INFORMED ON DEVELOPMENTS IN LOCKHEED PAYOFF CASE, PARTICULARLY AS THEY INVOLVE GOQ. I HAVE DISCUSSED MATTER WITH MINISTER OF FINANCE AND PETROLEUM. WHILE HE RESPECTS USG'S RIGHT TO ENFORCE LAW, HE INDICATED THAT DISCLOSURE OF NAMES OF QATARIS INVOLVED COULD CAUSE FOREIGN RELATIONS PROBLEM BETWEEN OUR COUNTRIES AND SERIOUSLY AFFECT U.S. BUSINESS INTERESTS HERE. WE MUST HAVE ALL INFORMATION AVAILABLE TO DEPT ON QATARI INVOLVEMENT IN LOCKHEED PAYOFFS. ON BASIS OF INFORMATION AVAILABLE TO US, WE STRONGLY RECOMMEND DEPT CONSIDER EFFORT TO PREVENT DISCLOSURE OF NAMES OF QATARIS INVOLVED IN LOCKHEED PAYOFFS. END SUMMARY

2. APPRECIATE PROMPT RESPONSE AND BACKGROUND PROVIDED STATE REFTEL. HOWEVER, I AM FRANKLY DISMAYED THAT DESPITE FACT ACTION ON THIS SUBJECT HAS BEEN GOING ON IN DEPT AND OTHER

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WASHINGTON AGENCIES FOR SEVERAL WEEKS, NARY A WORD WAS REPORTED

TO FIELD POSTS, AT LEAST TO THIS EMBASSY. WE SHOULD NOT RPT NOT HAVE TO SOLICIT SUCH INFORMATION NOR RELY ON PRESS FOR IT. GIVEN LOCAL INVOLVEMENT AND POSSIBLE IMPLICATIONS FOR US-GOQ RELATIONS, I MUST INSIST ON BEING KEPT FULLY ABREAST OF DEVELOPMENTS. IN THIS CONNECTION, WE ARE INFORMED, AGAIN BY "INTERNATIONAL HERALD TRIBUNE" OF DEC 17, THAT JUDGE PRATT ORDERED LOCKHEED TO COMPLY WITH SEC SUBPOENA ON DEC 15, BUT IN DEFERENCE TO SECRETARY'S APPEAL GRANTED DEPT OPPORTUNITY TO REQUEST WITHHOLDING FROM PUBLIC RELEASE ANY INFORMATION CONSIDERED HARMFUL TO FOREIGN RELATIONS.

3. SINCE OUR ONLY ACCOUNT OF GOQ INVOLVEMENT IN LOCKHEED PAYOFF ON TRISTAR PURCHASE HAS COME FROM SAMI GAYID, WHO IS HARDLY DISINTERESTED PARTY, I DISCUSSED MATTER WITH GOQ MINISTER OF FINANCE AND PETROLEUM, SHAYKH ABDUL AZIZ BIN KHALIFA AL THANI, WHO IS ALSO AMIR'S SON, AND THE RESPONSIBLE CABINET OFFICIAL ON MATTER. I GAVE ABDUL AZIZ A COPY OF THE SECRETARY'S LETTER AND EXPLAINED TO HIM THAT ALTHOUGH THE DEPT IS CONCERNED WITH THE POSSIBLE FOREIGN RELATIONS ASPECTS OF THE POSSIBLE RELEASE DURING JUDICIAL PROCESS OF THE NAMES OF FOREIGN OFFICIALS WHO ACCEPTED SECRET PAYMENTS FROM LOCKHEED, THE DEPT WAS NOT RPT NOT INCLINED TO INTERVENE SHOULD SUCH INTERVENTION IMPEDE ENFORCEMENT OF US LAW.

4. ABDUL AZIZ REPLIED THAT HE FULLY RESPECTED USG'S SOVEREIGN RIGHT TO ENFORCE ITS OWN LAWS. HE OBSERVED, HOWEVER, THAT FOREIGN RELATIONS PROBLEMS COULD RESULT FROM DISCLOSURE OF NAMES OF QATARI OFFICIALS IN LOCKHEED DEAL. HE SAID THIS WOULD BE "VERY EMBARRASSING" TO GOQ AND WOULD RAISE QUESTIONS RE GOVERNMENT'S INTENTION AND DESIRE TO EXPAND ITS ECONOMIC RELATIONS WITH U.S., AND U.S. BUSINESS IN PARTICULAR. HE OBSERVED THAT GOQ TOO HAD TO BE SENSITIVE LOCAL PUBLIC OPINION.

5. ABDUL AZIZ RAMBLED ON AT SOME LENGTH, EVIDENCING CONSIDERABLE CONFUSION ABOUT ELEMENTS IN LOCKHEED PAYOFF CASE. HE ALLEGED THAT CASE APPEARED TO SINGLE OUT IN DISCRIMINATORY MANNER QATAR AND OTHER GULF STATES, AND CLAIMED THAT THIS RESULT OF "POLITICAL PRESSURES" FROM US CONGRESS. (HE INDICATED THAT LOCKHEED HAD SUGGESTED THIS TO HIM.) HE STRONGLY IMPLIED THAT THERE WAS ANTI-ARAB BIAS SOMEWHERE IN THE WORKS. HE ALSO

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EXPRESSED BELIEF THAT USG LOAN TO LOCKHEED HAD SOME BEARING ON ACTION AGAINST COMPANY. HE ASKED WHETHER PROHIBITION OF AGENTS' COMMISSIONS HAD BEEN BUILT INTO LOAN AGREEMENT. HE ALSO SUGGESTED THAT LOCKHEED MAY BE TRYING TO GET USG OFF ITS BACK BY FINGERING FOREIGN BRIBE SOLICITORS AS THOSE WHO COMPELLED LOCKHEED TO MAKE UNDER THE TABLE PAYMENTS IN ORDER TO OBTAIN BADLY NEEDED CONTRACTS TO KEEP COMPANY FROM GOING UNDER.

6. I TRIED TO STRAIGHTEN ABDUL AZIZ OUT ON SOME POINTS. I EMPHASIZED THAT ACTION AGAINST LOCKHEED WAS IN NO WAY DIS-CRIMINATORILY POINTED AT QATAR OR OTHER GULF STATES, AND THAT OPERATIVE LEGISLATION AND/OR REGULATIONS APPLIED TO TRANSACTIONS WITH ANY AND ALL COUNTRIES. I ALSO TRIED TO MAKE HIM UNDERSTAND THE SEC ROLE IN THE LOCKHEED CASE. AS BACKGROUND, ON PERSONAL BASIS I EXPLAINED TO HIM HOW RECENT INVESTIGATIONS AND PRO-SECUTION OF US CORPORATIONS HAD EVOLVED FROM DISCLOSURE OF ILLEGAL POLITICAL CONTRIBUTIONS AT HOME AND ABROAD TO PAYMENT OF BRIBES TO OBTAIN BUSINESS ABROAD, ETC.

7. I ASKED ABDUL AZIZ HOW GOQ VIEWED TRISTAR TRANSACTION AND ALLEGATION OF PAYOFFS. IN RESPONDING, HE NOTED THAT AGENTS' FEES PERFECTLY LEGAL UNDER QATARI LAW. HOWEVER, HE SAID GOVERNMENT WOULD BE MOST UNHAPPY WITH LOCKHEED IF IT DETERMINED THAT FIRM PAID LARGE SECRET AGENT'S FEE WHICH THEN ADDED TO COST OF TRISTARS TO GOQ. HE CLAIMED ALL FACTS OF SITUATION HAD NOT YET BEEN DETERMINED AND THAT GOQ "INVESTIGATIN" MATTER WITH LOCKHEED AT PRESENT TIME. HE SAID IF GOQ CONFIRMED THAT LARGE SECRET AGENT'S FEE HAD BEEN PAID IT PREPARED TO DEDUCT THIS FROM MONEY DUE LOCKHEED. HE ALSO SAID THAT THIS POSSIBLE SKULLDUGGERY COULD CAUSE GOQ TO CANCEL ORDERS PLACED FOR SECOND PAIR OF TRISTARS; HE IMPLIED IT TOO LATE TO DO ANYTHING ABOUT FIRST TWO AIRCRAFT WHICH SCHEDULED FOR DELIVERY IN JANEHRY-FEBRUARY 1976. ABDUL AZIZ REMARKED THAT IT HAD BEEN U.S. PRESS REPORTS ABOUT ALLEGED LOCKHEED PAYOFFS THAT HAD PUT GOQ ON TO POSSIBLE HANKY-PANKY IN TRISTAR DEAL HERE. I SUGGESTED THAT CURRENT SEC INVESTIGATION MIGHT BE SIMILARLY HELPFUL IN GOQ'S SEARCH FOR FACTS OF CASE.

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 003099

R 230718Z FEC 75

FM AMEMBASSY DOHA

TO SECSTATE WASHDC 1132

INFO AMEMBASSY ABU DHABI

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

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EXDIS

8. COMMENT: ABDUL AZIZ'S DESCRIPTION OF SITUATION AT VARIAMTE TO WHAT GAYID HAS TOLD US. (GAYID HAS CLAIMED THAT ABDUL AZIZ WAS NOT INFORMED ABOUT AMIR'S ORDER TO GAYID TO BECOME LOCKHEED AGENT AND ACCEPT FEE FOR RECHANNELING INTO GULF AIR.) IN ANY EVENT, IT DOUBTNUL WHETHER ANY OF CONCERNED PARTIES WILL TELL US EVERYTHING, ALTHOUGH THERE MUST BE ELEMENTS OF TRUTH IN ALL ACCOUNTS. (AS MINISTER OF FINANCE, ABDUL AZIZ APPROVED PAYMENT ARRANGEMENTS WITH LOCKHEED.)

9. COMMENT CONTINUED: IT IS POSSIBLE THAT GAYID ARRANGED WITH LOCKHEED TO PICK UP A BUNDLE ON TRISTAR SALE AND WAS CAUGHT OUT, AFTER WHICH HE CONTRIVED SITUATION AS HE DESCRIBES IT (DOHA 1415) AMIR BOUGHT IT TO SAVE AMIR'S AND GOQ'S FACE.

HOWEVER, WE CANNOT PRECLUDE THAT AMIR, OR GAYID, AND/OR PERHAPS ABDUL AZIZ, SINGLY OR IN COMBINATION, SET DEAL UP SO THAT THEY COULD TAKE SUBSTANTIAL KICKBACK FROM LOCKHEED, AND WHEN EXPOSURE THREATENED BY CONGRESSIONAL HEARINGS AND SEC ACTION, THEY CONCOCTED ELABORATE STRATEGEM (DOHA 1415) TO COVER THEMSELVES. AGAIN, IT IS DOUBTFUL THAT WE WILL EVER OBTAIN THE FULL STORY HERE, BUT WOULD APPRECIATE BIPT'S INFORMING US ABOUT WHAT IT LEARNED FRO ITS REVIEW OF THESE DOCUMENTS ABOUT INVOLVEMENT OF GAYID, OTHER GOQ OFFICIALS, AMOUNTS OF SECRET

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MONEY INVOLVED, ETC.

10. COMMENTED CONTINUED: ALTHOUGH MY DISCUSSION WITH ABDUL AZIZ RE USG'S ROLE IN POSSIBLE REVELATION OF NAMES OF QATARI BRIBE-TAKERS WAS MOST RATIONAL, WE CANNOT IGNORE HIS THREATS AGAINST US BUSINESS REPORTEDLY MADE TO LOCKHEED REP (DOHA 1429) OR HIS LOWER KEY COMMENTS TO ME ON THIS SUBJECT. DISCLOSURE OF HIGH LEVEL CORRUPTION, POSSIBLY TOUCHING THE AMIR HIMSELF, WOULD BE MORE THAN JUST EMBARRASSING SINCE, AS WE HAVE REPORTED, THERE ARE INCREASING RUMBLINGS OF INTERNAL DISCONTENT ON CORRUPTION ISSUE. WE WOULD HARDLY BE THANKED FOR ADDING FUEL TO THIS SMOULDERING ISSUE. THREATS TO CUT OFF DEALINGS WITH US BUSINESS ALSO SHOULD NOT BE TAKEN LIGHTLY. STAKES ARE SUBSTANTIAL. US IS NUMBER THREE SUPPLIER HERE AND TRADE FIGURES COULD REACH \$60 MILLION IN 1975, A DOUBLING OF 1974 VOLUME. IN ADDITION, US FIRMS PRESENTLY COMPETING FOR MAJOR PROJECT CONTRACTS WORTH APPROXIMATELY \$2 BILLION. ON PETROLEUM

SIDE, US LIFTERS TAKE OVER 100,000 BARRELS A DAY OF QATARI CRUDE, WHICH IS ONE QUARTER OF TOTAL PRODUCTION. RE INVESTMENT, US'S TAKE IS 10 TO 15 PERCENT OF QATAR'S APPROXIMATELY \$1.5 BILLION YEARLY SURPLUS, AND WE BIDDING FOR ALL THE MORE WE CAN GET.

11. ACTION REQUESTED: ALL THIS ADDS UP TO CONCLUSION THAT DISCLOSURE OF NAME OR NAMES INVOLVED IN LOCKHEED PAYOFFS COULD CAUSE A SIGNIFICANT FOREIGN RELATIONS AND US BUSINESS PROBLEM IN QATAR. THEREFORE, I STRONGLY RECOMMEND THAT DEPT WEIGH ALL THESE FACTORS CAREFULLY AND CONSIDER EXERCISING OPTION

OF INTERVENING IN LOCKHEED CASE TO PREVENT DISCLOSURE OF NAME OR NAMES THAT WOULD INVOLVE GOQ. BASED ON DEPT'S REVIEW OF DOCUMENTS, I WOULD APPRECIATE HAVING ANALYSIS OF SITUATION FROM DEPT'S POINT OF VIEW TO INCLUDE POSSIBLE NECESSITY OF DISCLOSING QATARI NAMES AS ESSENTIAL TO LAW ENFORCEMENT, AND ESTIMATE OF TIMING WHEN SUCH DISCLOSURE MAY BECOME PERTINENT. I REITERATE THAT WE MUST BE KEPT CLOSELY INFORMED OF ALL DEVELOPMENTS, AND AGAIN ASK THAT ALL INFORMATION ON QATARI INVOLVEMENT IN LOCKHEED PAYOFFS AVAILABLE TO DEPT BE CABLED TO US SOONEST.

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12. IT OCCURS TO US THAT COURT ORDER COMPELLING LOCKHEED TO RELEASE PERTINENT DOCUMENTS POSES REAL DANGER OF PRESS LEAK, PROTECTING ORDER NOTWITHSTANDING. RECENT TRACK RECORD IN PROTECTING SUCH INFORMATION NOT RPT NOT VERY GOOD. NEEDLESS TO SAY, ANY PRESS LEAK FINGERING GAYID OR OTHERS IN GOQ COULD TRIGGER ADVERSE GOQ REACTION ALONG LINES OF PARA 10. PAGANELLI

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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Authority:** CunninFX  
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